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### Overview

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### Comprehensive Listings of Health Care Terms

- ▶ View a [Glossary of Health Care and Related Terms \(PDF\)](#) developed by Families USA
- ▶ Use the searchable glossary on the Federal [Centers for Medicare and Medicaid Services](#) website

### Dirigo Health Reform Act

Proposed by Governor Baldacci, revised and improved by the Legislature, the Act was signed into law in June 2003. It represents a broad strategy to improve Maine's health care system and includes three inter-related approaches: a new health plan to achieve universal access to health coverage; new and improved systems to control health care costs; and, initiatives to ensure the highest quality of care statewide.

### Governor's Office of Health Policy and Finance (GOHPF)

Created by the Governor in January 2003 and under the direction of Director, Trish Riley, GOHPF directed the development of the Dirigo Health Reform Act and retains overall responsibility for the Dirigo Health Reform Act and serves as a liaison to the new Dirigo Health Agency. Additionally, it directs health policy for the Governor's Office and State Government.

### Dirigo Health Agency

With newly appointed Executive Director, Tom Dunne, this new state agency

will implement and oversee the Dirigo Health Plan. It will partner with a private insurance company who will offer the health plan. Additionally, it will staff the Maine Quality Forum.

## **Boards and Commissions**

### **Dirigo Health Board of Directors**

With 5 voting members, it is the governing body for the Dirigo Health Plan and directs the Dirigo Health Agency.

### **Maine Quality Forum Advisory Council**

With 17 members representing providers, insurers, consumers and business, it directs the work of the Maine Quality Forum and the research and dissemination of quality performance measures.

### **Advisory Council on Health Systems Development**

With 11 members representing providers, insurers, consumers and business, it directs the development of the State Health Plan and Capital Investment Fund.

### **Commission to Study Maine's Hospitals**

With 9 members representing providers, insurers, consumers and business, it is overseeing a study of Maine's hospitals focused on finances and quality outcomes and may offer policy recommendations.

### **Task Force on Veterans' Health Services**

With 13 members, it is studying the quality and efficiency of veterans' health services (Togus and other VA health services) and will make recommendations to more effectively organize those services.

### **Public Purchasers' Steering Committee**

With 10 members representing key public purchasers (the state, local and county government, teachers, university system) it is studying the efficiency, effectiveness, costs and quality of health care for individuals when coverage is paid by State and local tax dollars. It seeks to propose new systems for improved collaboration between public purchasers to achieve higher efficiency and quality.

## **Term Specifics**

### **Bad Debt and Charity Care**

This represents care given by hospitals but not paid for by the patient. Hospitals are required to administer needed care to individuals regardless of ability to pay. When patients can't pay for the care they receive, hospitals are compensated by raising their rates on insurance companies and others who can pay. This rate increase represents a hidden tax and is passed on to all health consumers through higher insurance premiums.

### **Capital Investment Fund**

As a component of the State Health Plan, it will direct the Certificate of Need process. The fund represents a budget from which approval for new constructions or new acquisitions of technology will be based upon.

### **Certificate of Need**

When providers seek to invest in capital improvements costing over \$2.4 million or in new technologies over \$1.2 million, they must apply to the state for Certificate of Need approval. The State Health Plan and Maine Quality Forum will strengthen this process.

### **Dirigo Health Plan**

One piece of a three part strategy to improve Maine's health care system, it will

be a low cost and comprehensive health plan offered to small businesses and individuals starting July 2004. After year one, it may be offered to larger businesses.

**Federal Poverty Level**

Determined by the federal government and updated annually, this income guideline is used to determine eligibility for various state and federal assistance programs – Medicare, Medicaid (MaineCare), LIHEAP, etc. The Dirigo Health Plan will offer subsidies on a sliding scale to enrollees with incomes below 300% of the Federal Poverty Level. This translates to approximately \$27,000 in yearly household income for an individual and \$55,000 for a family of four. The lowest income enrollees will receive full subsidy.

**Maine Quality Forum**

Created by the Dirigo Health Reform Act, it is charged with implementing steps to improve the quality of health care statewide. Steps will include dissemination of best medical practices to providers and consumers and wellness, health promotion and disease prevention initiatives. Additionally, it will create quality standards and assess needs for new medical technologies throughout the state.

**MaineCare**

MaineCare is Maine's state Medicaid program. It is funded by a federally determined formula that combines state and federal revenues at an approximately 34% state and 66% federal dollar split. MaineCare provides an array of medical services to children, childless adults, families, senior citizens and the disabled. Eligibility is based on household income and varies between group and type of service. Assets may also be considered in determining eligibility.

For more information, click here to visit the [Bureau of Medical Services](#) website or click here to view the annual [BMS MaineCare Report \(PDF\)](#). Another resource for learning of MaineCare eligibility is a report produced by [Maine Equal Justice Partners](#).

**Multiple Employer Welfare Arrangements (MEWA's)**

An employee health plan established for the purpose of offering or providing any welfare benefits to employees of two or more unrelated employers.

**Savings Offset Payment**

After year one of operation, the Dirigo Health Plan will be funded in part by an assessment on the gross premium revenues of insurers not to exceed 4% and by an assessment, to be determined, on third-party administrators, Multiple Employer Welfare Arrangements, and self-funded employee health plans. These assessments will only be levied if savings in the health care system can be documented; notably through the reduction of bad debt and charity care expected to occur as the uninsured receive coverage, the State Health Plan and other cost containment provisions.

**Small Business**

Within the Dirigo Health Plan, a small business represents fewer than 50 employees.

**State Health Plan**

The state health plan will assess the health care needs of Maine citizens and the public and private financial, capital, and personnel resources available to meet those needs. It will include a global budget to direct public and private efforts to meet those needs within the resources available. The Plan will be

issued in May 2004.

**Third-Party Administrators (TPA's)**

Independent agencies, TPA's are often hired by larger businesses with self-funded employee health plans to administer benefits.